UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/676,848	09/30/2003	Ayman Hammad	16222U-015600US	3759

66945   7590   11/14/2008
TOWNSEND AND TOWNSEND CREW LLP
TWO EMBARCADERO CENTER, 8TH FLOOR
SAN FRANCISCO, CA 94111

EXAMINER
LASTRA, DANIEL

ART UNIT	PAPER NUMBER
3688	

MAIL DATE	DELIVERY MODE
11/14/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

PTOL-90A (Rev. 04/07)

	Application No.	Applicant(s)
Office Action Summary	10/676,848	HAMMAD ET AL.
	Examiner	Art Unit	
	DANIEL LASTRA	3688	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on <u>28 July 2008</u>.
2a) ☐ This action is **FINAL.**   2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) <u>1-62</u> is/are pending in the application.
    4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) <u>1-62</u> is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    a) ☐ All   b) ☐ Some * c) ☐ None of:
        1. ☐ Certified copies of the priority documents have been received.
        2. ☐ Certified copies of the priority documents have been received in Application No. _____.
        3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)
1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

1.   Claims 1-62 have been examined. Application 10/676,848 (METHOD AND

SYSTEM FOR MANAGING CONCURRENT SKU-BASED REWARDS PROGRAM) has

a filing date 09/30/2003.

Response to Amendment

2.   In response to Non Final Rejection filed 03/31/2008, the Applicant filed an

Amendment on 07/28/2008, which added new claims 52-62.

Claim Rejections - 35 USC § 101

3.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 2, 7-18, 30-51, 52-54 and 56-62 are rejected under 35 U.S.C. 101

because the claimed invention is directed to non-statutory subject matter. With respect

to claims 1, 2, 7-18, 30-41, 52-54, 56, 57 and 60-62, based on Supreme Court

precedent, a method/process claim must (1) be tied to another statutory class of

invention (such as a particular apparatus) (see at least Diamond v. Diehr, 450 U.S. 175,

184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409

U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)) or (2) transform

underlying subject matter (such as an article or materials) to a different state or thing

(see at least Gottschalk v. Benson, 409 U.S. 63, 71 (1972)). A method/process claim

that fails to meet one of the above requirements is not in compliance with the statutory

requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fail to

meet the above requirements because the steps are neither tied to another statutory class of invention (such as a particular apparatus). With respect to claims 42-51, 58 and 59 are defined as system claims however, said claims are claiming functional descriptive material (i.e. software) as "incentive selector and applier" are defined as software. Claims 58 and 59 are defined as method claims however, said claims are dependent of system claims.

Claim Rejections - 35 USC § 112

4.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 42-51, 58 and 59 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Said claims are indefinite because they are not system claims. Furthermore, claims 58 and 59 are indefinite because they are dependent of a system claim.

Claim Rejections - 35 USC § 102

5.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the

United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-62 are rejected under 35 U.S.C. 102(e) as being anticipated by Iannacci (US 2002/0062249).

Claim 1, Iannacci teaches:

A method for determining one or more incentives to apply to a transaction, the method comprising:

determining a plurality of incentives that are eligible for application to the transaction, the eligibility based on at least one product (see paragraph 319);

determining one or more incentives from the plurality of incentives to apply to the transaction (see paragraph 319); and

applying the determined one or more incentives to the transaction (see paragraph 319-328).

Claim 2, Iannacci teaches:

wherein the at least one product is associated with a product identifier that is used to determine the plurality of incentives (see paragraph 216).

Claim 3, Iannacci teaches:

communicating with a portable device to determine portable device information (see paragraph 178);

wherein determining the plurality of incentives comprises using the portable device information to determine the plurality of incentives eligible for application to the transaction (see paragraph 178).

Claim 4, Iannacci teaches:

wherein determining the one or more incentives comprises using the determined portable device information to determine the one or more incentives (see paragraph 178).

Claim 5, <u>Iannacci</u> teaches:

wherein using the determined portable device information comprises comparing the portable device information with information associated with the plurality of incentives to determine the plurality of incentives (see paragraph 164).

Claim 6, <u>Iannacci</u> teaches:

updating the portable device information in the portable device to indicate that the determined one or more incentives have been applied to the transaction (see paragraph 179).

Claim 7, <u>Iannacci</u> teaches:

wherein determining the one or more incentives comprises determining information for applying the determined one or more incentives (see paragraph 311-328); and

using the information to determine how the determined one or more incentives are to be applied to the transaction (see paragraph 311-328).

Claim 8, <u>Iannacci</u> teaches:

wherein the information comprises information indicating if an incentive is combinable with another incentive (see paragraph 277-282).

Claim 9, <u>Iannacci</u> teaches:

wherein determining the one or more incentives comprises comparing the information for applying the determined one or more incentives with transaction details for the transaction to determine the one or more incentives (see paragraph 312-328).

Claim 10, Iannacci teaches:

calculating a total value for the transaction, wherein a collective value of the one or more incentives when applied is equal to or less than the total value (see paragraph 318-328).

Claim 11, Iannacci teaches:

wherein applying the determined one or more incentives comprises calculating a new total value based on the total value for the transaction less the value of the one or more incentives (see paragraph 318-328).

Claim 12, Iannacci teaches:

A method for managing incentives in connection with a loyalty transaction, the method comprising:

determining a plurality of incentives that are eligible for the loyalty transaction, the eligibility determined based on at least one product (see paragraph 328);

calculating an incentive value for each of the plurality of incentives (see paragraph 328);

determining one or more incentives from the plurality of incentives to apply to the loyalty transaction based on the calculated incentive values for each of the plurality of incentives (see paragraph 42); and

applying the determined one or more incentives to the loyalty transaction (see paragraph 328).

Claim 13, <u>Iannacci</u> teaches:

wherein the at least one product is associated with a product identifier that is used to determine the plurality of incentives (see paragraph 328).

Claim 14, <u>Iannacci</u> teaches:

wherein determining one or more incentives comprises:

determining a highest incentive value from the calculated incentive values (see paragraph 311-328);

and

wherein applying the determined one or more incentives comprises applying an incentive with the highest incentive value (see paragraph 311-328).

Claim 15, <u>Iannacci</u> teaches:

determining if the incentive with the highest incentive value allows the incentive to be combined with other incentives (see paragraph 277); and

if the incentive does allow for combining, determining another incentive to apply to the loyalty transaction in addition to the incentive with the highest value (see paragraph 277).

Claim 16, <u>Iannacci</u> teaches:

calculating a total value for the loyalty transaction, wherein a collective value of the one or more incentives is equal to or less than the calculated total value (see paragraph 311-328).

Claim 17, <u>Iannacci</u> teaches:

wherein applying the determined one or more incentives comprising calculating a new total value from the total value based on the determined one or more incentives (see paragraph 311-328).

Claim 18, <u>Iannacci</u> teaches:

outputting the new total value (see paragraph 311-328).

Claim 19, <u>Iannacci</u> teaches:

communicating with a portable device to determine portable device information;

wherein determining the plurality of incentives comprises using the portable device information to determine the plurality of incentives that are eligible for the loyalty transaction (see paragraph 178).

Claim 20, <u>Iannacci</u> teaches:

updating portable device information in the portable device to indicate that the one or more incentives have been applied to the loyalty transaction (see paragraph 178).

Claim 21, <u>Iannacci</u> teaches:

A method for determining one or more incentives to apply to a loyalty transaction, the method comprising:

communicating with a portable device to conduct the loyalty transaction, the loyalty transaction involving at least one product having a product identifier (see paragraph 178);

determining portable device information for the portable device (see paragraph 178);

determining a plurality of incentives that are eligible for the loyalty transaction, the eligible incentives determined based on the product identifier and the portable device information (see paragraph 325);

determining one or more incentives from the plurality of incentives to apply to the loyalty transaction (see paragraph 325); and

applying the determined one or more incentives to the loyalty transaction (see paragraph 325).

Claim 22, Iannacci teaches:

wherein determining the one or more incentives comprises determining information for applying the one or more incentives (see paragraph 311-328); and

using the information for applying to determine how the one or more incentives are to be applied to the loyalty transaction (see paragraph 311-328).

Claim 23, Iannacci teaches:

wherein the information for applying comprises information indicating if an incentive is combinable with another incentive (see paragraph 277-282).

Claim 24, Iannacci teaches:

wherein the information for applying comprises information indicating that an incentive having a nearest expiration date is to be applied (see paragraph 240).

Claim 25 and 36, Iannacci teaches:

wherein the information for applying comprises information indicating that a user

preference is to be used to determine how to apply the one or more incentives (see

paragraph 311-328).

Claim 26, Iannacci teaches:

wherein determining the one or more incentives comprises comparing the

information for applying with transaction details for the loyalty transaction to determine

the one or more incentives (see paragraph 311-328).

Claim 27, Iannacci teaches:

calculating a total value for the loyalty transaction, wherein a collective value of

the one or more incentives when applied is equal to or less than the total value (see

paragraphs 311-328).

Claim 28, Iannacci teaches:

wherein applying the determined one or more incentives comprises calculating a

new total value for the loyalty transaction based on the one or more incentives (see

paragraphs 311-328).

Claim 29, Iannacci teaches:

updating information in the portable device to indicate that the one or more

incentives have been applied to the transaction (see paragraph 178).

Claim 30, Iannacci teaches:

A method for managing a plurality of incentives, the method comprising:

determining information for the plurality of incentives, the information for each incentive

including a product identifier (see paragraph 216);

determining one or more rules for applying incentives if two or more incentives in the plurality of incentives are applicable for a loyalty transaction (see paragraph 311-328); and

sending the information and the one or more rules to one or more distribution channels, wherein the information including the product identifier is usable to determine two or more eligible incentives from the plurality of incentives for the loyalty transaction (see paragraph 240)

and the one or more rules are usable to determine one or more incentives from the two or more eligible incentives that are applicable for the loyalty transaction (see paragraph 240).

Claim 31, Iannacci teaches:

wherein the one or more rules comprise values that are compared to at least one of portable device information and information from the loyalty transaction to determine the one or more incentives that are applicable (see paragraph 311-328).

Claim 32, Iannacci teaches:

wherein the one or more rules include a rule specifying if an incentive may be combined with other incentives in the two or more eligible incentives (see paragraph 311-328).

Claim 33, Iannacci teaches:

wherein the one or more rules include a rule specifying if one incentive should override another incentive in the two or more eligible incentives (see paragraph 311-328).

Claim 34, Iannacci teaches:

wherein the one or more rules include a rule specifying that a highest value incentive in the two or more eligible incentives should be applied (see paragraph 311-328).

Claim 35, Iannacci teaches:

wherein the one or more rules include a rule specifying which incentive in the two or more eligible incentives to apply based on a product identifier (see paragraph 240).

Claim 37, Iannacci teaches:

A method for determining one or more incentives to apply to a loyalty transaction, the method comprising:

using a portable device in a loyalty transaction for at least one product associated with a product identifier (see paragraph 178);

determining loyalty program information for a plurality of loyalty programs (see paragraph 311-328);

determining portable device information for the portable device (see paragraph 178);

determining transaction details for the loyalty transaction (see paragraph 311-328);

determining one or more incentives from a plurality of incentives to apply to the loyalty transaction based on at least one of the loyalty program information, portable device information, product identifier, and transaction details, wherein the plurality of incentives are associated with the product identifier (see paragraph 311-328); and

applying the determined one or more incentives to the loyalty transaction (see paragraph 311-328).

Claim 38, Iannacci teaches:

wherein the loyalty program information comprises parameters that specify rules useable in determining the one or more incentives (see paragraph 311-328).

Claim 39, Iannacci teaches:

wherein the rules comprise at least one of a rule based on a monetary value, a rule based on the product identifier and a user selection, a rule based on an expiration date, and a rule based on if an incentive in the plurality of incentives is combinable (see paragraph 240).

Claim 40, Iannacci teaches:

wherein the portable device information comprises information specific to the portable device, wherein determining the one or more incentives comprises using the information specific to the portable device to determine the one or more incentives (see paragraph 311-328).

Claim 41, Iannacci teaches:

wherein the transaction details comprise information specific to the loyalty transaction, wherein determining the one or more incentives comprises using the information specific to the loyalty transaction to determine the one or more incentives (see paragraph 311-328).

Claim 42, Iannacci teaches:

A device for determining one or more incentives to apply to a loyalty transaction, the device comprising:

a communicator configured to receive a request to process a loyalty transaction involving at least one product (see paragraph 311-328);

a program determiner configured to determine a plurality of incentives that are eligible for application to the loyalty transaction, the eligibility based on the at least one product (see paragraph 311-328);

an incentive selector configured to select one or more incentives from the plurality of incentives to apply to the loyalty transaction (see paragraph 311-328); and

an incentive applier configured to apply the determined one or more incentives to the loyalty transaction (see paragraph 311-328).

Claim 43, Iannacci teaches:

wherein the communicator is configured to communicate with a portable device to determine portable device information, the portable device information useable to determine the plurality of incentives or the selected one or more incentives (see paragraph 311-328).

Claim 44, Iannacci teaches:

wherein the communicator is configured to determine transaction details, the transaction details useable to determine the plurality of incentives or the selected one or more incentives (see paragraph 311-328).

Claim 45, Iannacci teaches:

an output configured to output a new total for the loyalty transaction based on the applied one or more incentives (see paragraph 311-328).

Claim 46, Iannacci teaches:

a database configured to store information for the plurality of loyalty programs, the information useable to determine the plurality of incentives or the selected one or more incentives (see paragraph 311-328).

Claim 47, Iannacci teaches:

wherein the communicator is configured to cause update information for the loyalty transaction to be written to a portable device (see paragraph 311-328).

Claim 48, Iannacci teaches:

A system for determining one or more incentives to apply to a loyalty transaction, the system comprising:

one or more portable devices, each portable device including portable device information (see paragraph 178); and

one or more distribution channels, at least one distribution channel comprising:

a communicator configured to communicate with a portable device in the one or more portable devices for a loyalty transaction involving at least one product and to determine portable device information associated with the portable device (see paragraph 178);

an incentive selector configured to determine one or more incentives from a plurality of incentives associated with the at least one product to apply to the

loyalty transaction, the one or more incentives determined based on the at least one

product and the portable device information (see paragraph 311-328); and

an incentive applier configured to apply the determined one or more

incentives to the loyalty transaction (see paragraph 311-328).

Claim 49, Iannacci teaches:

wherein the at least one distribution channel further comprises a program

determiner configured to determine the plurality of incentives associated with the at

least one product (see paragraph 311-328).

Claim 50, Iannacci teaches:

a host configured to download information relating to the plurality of incentives to

at least one distribution channel, wherein the information is useable to determine the

one or more incentives (see paragraph 311-328).

Claim 51, Iannacci teaches:

wherein the information relating to the plurality of incentives comprises at least

one of a rule based on a monetary value, a ruled based on the at least one product and

a user selection, a rule based on an expiration date, and a rule based on if an incentive

in the plurality of incentives is combinable (see paragraph 240).

Claim 52, Iannacci teaches:

wherein the determined one or more incentives have a highest redemption value

(see paragraphs 311-328).

Claim 53, Iannacci teaches:

wherein the at least one product is associated with a sku number that is used to determine the plurality of incentives eligible for application to the transaction (see paragraph 216).

Claim 54, Iannacci teaches:

wherein the at least one product is associated with a sku number that is used to determine the plurality of incentives eligible for application to the transaction (see paragraph 216).

Claim 55, Iannacci teaches:

wherein the product identifier is a sku number (see paragraph 216).

Claim 56, Iannacci teaches:

wherein the product identifier is a sku number (see paragraph 216).

Claim 57, Iannacci teaches:

wherein the product identifier is a sku number (see paragraph 216).

Claim 58, Iannacci teaches:

wherein the at least one product is associated with a sku number that is used to determine the plurality of incentives eligible for application to the transaction (see paragraph 216).

Claim 59, Iannacci teaches:

wherein the at least one product is associated with a sku number that is used to determine the plurality of incentives eligible for application to the transaction (see paragraph 216).

Claim 60, Iannacci teaches:

wherein determining one or more incentives from the plurality of incentives to apply to the transaction comprises: determining selection information; and determining the one or more incentives using the selection information (see paragraphs 311-328).

Claim 61, Iannacci teaches:

wherein the selection information comprises monetary values (see paragraphs 311-328).

Claim 62, Iannacci teaches:

wherein the selection information comprises expiration dates (see paragraph 240).

Response to Arguments

6.   Applicant's arguments with respect to the claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

7.   The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- Gauthier (US 2004/0148224) teaches a loyalty transaction system that uses a portable device.

- Suzuki (US 6,129,274) teaches a loyalty transaction system that uses a portable device.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL LASTRA whose telephone number is 571-272-6720 and fax 571-273-6720. The examiner can normally be reached on 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James W. Myhre can be reached on (571)272-6722. The official Fax number is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/DANIEL LASTRA/
Examiner, Art Unit 3688
November 12, 2008